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PATENT APPLICATION  
TRANSMITTAL

(Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))

Attorney Docket No. BL01134-012

First Inventor or Application Identifier Wilson et al.

Title TAX REFUND SYSTEM

Express Mail Label No. EL039913295US

## APPLICATION ELEMENTS

See MPEP chapter 600 concerning utility patent application contents.

## ADDRESS TO:

Assistant Commissioner for Patents  
Box Patent Application  
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1. ☒ Fee Transmittal Form (e.g., PTO/SB/17)  
(Submit an original and a duplicate for fee processing)
2. ☒ Specification [Total Pages 12]  
(preferred arrangement set forth below)
- Descriptive title of the invention
  - Cross References to Related Applications
  - Statement Regarding Fed sponsored R & D
  - Reference to Microfiche Appendix
  - Background of the invention
  - Brief Summary of the invention
  - Brief Description of the Drawings (if filed)
  - Detailed Description
  - Claim(s)
  - Abstract of the Disclosure
3. ☒ Drawing(s) (35 U.S.C. 113) [Total Sheets 4]
4. Oath or Declaration [Total Pages 16]
- a. ☒ Newly executed (original or copy)
  - b. ☐ Copy from a prior application (37 C.F.R. § 1.63(d))  
(for continuation/divisional with Box 17 completed)  
[Note Box 5 below]
  - i. ☐ DELETION OF INVENTOR(S)  
Signed statement attached deleting  
inventor(s) named in the prior application,  
see 37 C.F.R. §§ 1.63(d)(2) and 1.33(b).
5. ☐ Incorporation By Reference (useable if Box 4b is checked)  
The entire disclosure of the prior application, from which a  
copy of the oath or declaration is supplied under Box 4b, is  
considered to be part of the disclosure of the accompanying  
application and is hereby incorporated by reference therein.

6. ☐ Microfiche Computer Program (Appendix)
7. Nucleotide and/or Amino Acid Sequence Submission  
(if applicable, all necessary)
- a. ☐ Computer Readable Copy
  - b. ☐ Paper Copy (identical to computer copy)
  - c. ☐ Statement verifying identity of above copies

## ACCOMPANYING APPLICATION PARTS

8. ☒ Assignment Papers (cover sheet & document(s))
9. ☐ 37 C.F.R. § 3.73(b) Statement  
(when there is an assignee) ☐ Power of Attorney
10. ☐ English Translation Document (if applicable)
11. ☐ Information Disclosure  
Statement (IDS)/PTO-1449 ☐ Copies of IDS  
Citations
12. ☐ Preliminary Amendment
13. ☒ Return Receipt Postcard (MPEP 503)  
(Should be specifically itemized)
14. ☐ Small Entity  
Statement(s) ☐ Statement filed in prior application,  
(PTO/SB/09-12) ☐ Status still proper and desired
15. ☐ Certified Copy of Priority Document(s)  
(if foreign priority is claimed)
16. ☐ Other: .....

\* NOTE FOR ITEMS 1 & 14: IN ORDER TO BE ENTITLED TO PAY SMALL ENTITY  
FEES, A SMALL ENTITY STATEMENT IS REQUIRED (37 C.F.R. § 1.27), EXCEPT  
IF ONE FILED IN A PRIOR APPLICATION IS RELIED UPON (37 C.F.R. § 1.28).

17. If a CONTINUING APPLICATION, check appropriate box, and supply the requisite information below and in a preliminary amendment:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No. \_\_\_\_\_ / \_\_\_\_\_  
Prior application information: Examiner \_\_\_\_\_ Group / Art Unit: \_\_\_\_\_

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APPLICATION FOR UNITED STATES LETTERS PATENT  
FOR  
TAX REFUND SYSTEM

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## TAX REFUND SYSTEM

Inventors: Robert D. Wilson  
Mark A. Ernst

### BACKGROUND AND SUMMARY OF THE INVENTION

The present invention relates generally to a system for distributing tax refunds to taxpayers and, more particularly, to a system for allocating some or all of a taxpayer's tax refund into a spending vehicle. Taxpayer tax returns may be prepared in a number of different ways. For example, since relatively recently, taxpayers have been able to file their tax returns electronically. For example, the United States Internal Revenue Service (IRS) has an electronic filing system for taxpayers to file their tax returns. The IRS has the capability to provide refunds to the taxpayer through electronic funds transfer from the United States Treasury. Electronic filing (as well as other forms of filing) may enable a taxpayer to receive a direct deposit of his or her refund into an account at a bank or other financial institution.

In a typical situation today, the taxpayer has a few options available for preparing his or her tax return. One method is by visiting a local tax preparer's office (such as an H & R Block local office) and having a tax preparer prepare the taxpayer's return and/or file the return electronically from the third party preparer's office. Another method available to taxpayers is preparing their tax returns through a software package commercially available (such as the Kiplinger Tax Cut® software package). By using a commercially available software package a taxpayer is assisted in preparing his or her own return and may be able to file the return electronically with the IRS. Other methods of preparing tax return forms include self-preparation, telefiling (i.e., by phone), and the newest method which is through the use of an internet site which can assist the taxpayer in the preparation and possible electronic filing of his or her tax returns. The present invention preferably takes advantage of

electronic filings but may be used in association with any method of tax return preparation and filing. A taxpayer for purposes of this disclosure is a person or other entity that has paid or is paying taxes to a taxing authority, and who may be entitled to a portion of those taxes paid to be returned to the taxpayer.

With the system of the present invention, a taxpayer's tax refund may be paid by electronic funds transfer to a taxpayer's account. In exchange for the assignment of the deposit of the tax refund amount by the taxpayer, the third party assignee provides a spending vehicle to the taxpayer. For example, a taxpayer may assign his or her tax refund to a retailer and in exchange for the right to receive the taxpayer's deposited refund. The retailer provides the taxpayer a spending vehicle such as a credit card or debit card with a predetermined amount of spending power for use at various outlets. The retailer spending vehicle may include an amount of buying power greater than the amount of the taxpayer's tax refund amount. For example, a retailer may issue a special debit card worth \$500 in exchange for receiving the taxpayer's deposited refund of \$450. The benefit to the retailer is that the taxpayer must spend his or her tax refund dollars at the retailer's store(s), and the benefit to the taxpayer may be that the retailer offers buying power at the retailer's store(s) in excess of the dollar amount of the taxpayer's refund.

The present invention is directed to receiving a spending vehicle in exchange for assigning all or a portion of a taxpayer's deposited tax refund amount. The present invention is different from prior systems in which the taxpayer has received a refund check, direct deposit to a bank or other financial institution account, or access to a loan amount in anticipation of receiving a tax refund, the amount of which is assigned to the lending institution. Under the system of the present invention, the spending vehicle is preferably provided to the taxpayer once the third party spending vehicle provider obtains the taxpayer's

deposited refund or upon receiving assurance that the refund amount is accurate and forthcoming. Under the prior loan systems the taxpayer was required to enter into a loan agreement with a lending institution. Due to regulatory banking laws, these loan agreements could be lengthy and cumbersome. Under the system of the present invention, loan agreements are not necessary.

The present invention will be described in greater detail hereinafter. The present invention is described in the form of preferred embodiments and is not to be limited to those preferred embodiments but instead shall be given the broadest scope of protection affordable under the law in view of the allowed claims.

#### BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a flow diagram of a preferred embodiment of the present invention; and

Figure 2 is a schematic view of a preferred embodiment of the system of the present invention;

Figure 3 is a schematic view of another preferred embodiment of the system of the present invention; and,

Figure 4 is a schematic view of yet another preferred embodiment of the system of the present invention.

#### DETAILED DESCRIPTION OF PREFERRED EMBODIMENT(S)

Referring now to the drawings, there is shown in Figure 2 a preferred embodiment of the system of the present invention. The present invention is described with reference to the United States federal tax system and the IRS. However, the present invention has

applicability to practically any tax system at the federal, state or local level in practically any country with a taxing authority.

Steps to accomplish a preferred embodiment of the present invention are shown in Figure 1. A taxpayer prepares his or her own tax return or has his or her tax return prepared by a third party preparer. Preparation of the tax return may be done in practically any way and still accomplish the present invention. Usually, tax return are prepared manually or electronically. While having his or her tax return prepared the taxpayer may be asked whether he or she wishes to benefit from receipt of a spending vehicle in exchange for assigning the amount of his or her tax refund amount to another party. If the taxpayer desires to receive the spending vehicle, then the taxpayer may execute an assignment form in which all or a portion of the tax refund amount paid to the taxpayer is assigned to a third party in exchange for the third party agreeing to provide the taxpayer with a spending vehicle. The taxpayer may sign an IRC Section 7216 consent form or other consent to allow the information on his or her tax return to be used by the tax preparation company and/or the third party assignee of the tax refund deposit, to disclose information about the taxpayer for completing the issuance of the spending vehicle.

In a preferred embodiment, once the tax returns are completed for the taxpayer, they are filed electronically with the IRS. Certain information in the tax returns is electronically provided to a financial institution to assist in providing the spending vehicle to the taxpayer. Such information may include, but is not limited to, the taxpayer's name and address, social security number, as well as the tax refund amount claimed. Once the IRS processes the taxpayer's tax return, the IRS may send the refund amount to the taxpayer's account at a financial institution designated by the taxpayer or at an agent designated by the taxpayer who provides the taxpayer with a financial value through a financial vehicle such as a credit card,

debit card, e-wallet account, gift card, or any other type of spending vehicle which would enable the holder of the spending vehicle to purchase products or services.

In another embodiment of the present invention the IRS may provide its own spending vehicle to the taxpayer. In other words, the IRS may provide a spending vehicle to the taxpayer directly without need of an intermediate entity such as a financial institution.

Likewise, the tax preparer company may not be necessary to make effective use of the present invention. For example, a taxpayer may file his or her own tax returns either by mail or electronically through the internet, for example, and, while doing so, execute an assignment of his or her tax refund payment to a third party who would in turn provide a spending vehicle to the taxpayer.

Under a preferred embodiment of the present invention, the spending vehicle provider may issue, for example, a debit card to a taxpayer upon receiving confirmation of the taxpayer's refund amount. The credit card or debit card may not be activated until such time as the spending vehicle provider receives the tax refund deposit amount. The spending vehicle may include a telephone number for a taxpayer to call to activate the spending vehicle once the spending vehicle provider is assured of receipt of the tax refund amount. Once the taxpayer's spending vehicle is activated, the taxpayer may spend the value of the spending vehicle. For example, a taxpayer who is entitled to receive a \$450 tax refund amount may assign that amount to a spending vehicle provider in exchange for \$500 of spending power through a debit card good only at a particular retailer or at some group of retailers. In another example, a taxpayer who is due a refund amount of \$2,500 may assign his or her refund amount to an automobile dealer in exchange for the automobile dealer issuing a spending vehicle worth \$3,000 in buying power at the auto dealership. In another example, a cruise

line may offer a spending vehicle of \$3,000 in exchange for receiving the taxpayer's refund amount of \$2,250.

The spending vehicle may take the form of many different embodiments, including but not limited to, credit cards, debit cards, cash cards, spending accounts, electronic spending accounts, coupons, discount certificates, rebate certificates, and any other vehicle in which a taxpayer receives spending power in a particular dollar amount useable at practically any participating retailer, financial institution, service provider, wholesaler, distributor, manufacturer, entertainment entity, and any participating entity through which a taxpayer may purchase something of value to the taxpayer. A tax return may be any means by which tax information is gathered. For example, and not by limitation, a paper form may be used, or an electronic form may be used, or a form *per se* (as may be defined as a predetermined list of questions to be responded to) may not be needed, rather a collection of tax information accomplished in any manner is all the data collection that is necessary to invoke the present invention. Another example of an acceptable collection of information (i.e., tax return) is collecting the information telephonically by the taxpayer calling a particular telephone number and speaking answers (or answering by pushing buttons on a touch-tone phone) to questions posed by a live operator or posed by an automated interactive voice response (IVR) system.

Use of a financial institution as a middleman between the taxpayer, the IRS, and the spending vehicle provider may be preferable. For example, financial institutions are typically well established in providing spending vehicles such as credit cards and debit cards. A retailer, for example, may find it helpful to provide its own spending vehicle if done in conjunction with a financial institution. While financial institutions may be beneficial to the process of the present invention, they are not essential. Since the IRS may send tax refund



amounts to a bank account established by or for the taxpayer, a spending vehicle provider may find it advantageous to work through that financial account rather than attempt to receive the tax refund amount through other avenues. Figure 3 shows another embodiment of the present invention in which a financial institution is not involved in issuing a spending vehicle, rather a retailer, for example, prepares its own spending vehicle. Figure 4 shows another embodiment of the present invention in which a particular third party spending vehicle provider is not necessary, rather a financial institution (perhaps the bank where the taxpayer banks), for example, issues a spending vehicle directly to the taxpayer that may be used at many different outlets for the purchase of goods and or services.

Once the taxpayer receives the spending vehicle and the spending vehicle has been activated, the taxpayer may spend the dollar amount of value inherent in that taxpayer's spending vehicle through participating sales outlets. Furthermore, the spending vehicle provider may agree to assign its rights and obligations in the spending vehicle to another entity at which the taxpayer may spend or obtain the unspent dollar amount of the spending vehicle.

A tax preparation company may also benefit from the present invention in a number of different ways. In a preferred embodiment of the present invention the tax preparation company may receive a small percentage of the dollar amount of sales generated by the spending vehicle. The tax preparation company may also benefit by extra business in tax preparation from taxpayers interested in receiving the benefits of the present invention. In another embodiment of the present invention the tax preparation company may receive a participation fee from goods and services providers who desire to be a part of the system of the present invention.

The tax preparation and/or electronic tax filing fee charged by a tax preparation company may be paid through an assignment of a portion of the refund amount by the taxpayer. For example, in a situation where a taxpayer is due a \$1,000 refund, a portion of that amount may be allocated to the tax preparation company for preparing the tax returns and filing them, and the remaining portion of the account may be directed to a spending vehicle provider for providing a spending vehicle to the taxpayer. Alternatively, the taxpayer may pay the tax preparation company directly at the time of the preparation and/or electronic tax filing of the tax return forms.

Once the spending vehicle is activated for the taxpayer, in a preferred embodiment of the present invention, the taxpayer may be given a period of time in which to use the spending vehicle before a service charge is applied. For example, the taxpayer may incur no service charge on the spending vehicle if the spending vehicle is used within 90 days of being activated. In the event a minimum balance remains in the spending vehicle after the initial “no fee” period, a small monthly service charge may be levied against the spending vehicle until it is entirely used. Alternatively, after a period of time (e.g., 60 days) the spending vehicle provider may issue a check to the taxpayer for the balance left in the spending vehicle.

Having shown and described a preferred embodiment of the present invention, those skilled in the art will realize that many variations and modifications may be made to the described invention and still be within the scope of the claimed invention. Thus many of the elements indicated above may be altered or replaced by different elements which will provide the same or substantially the same result and fall within the spirit of the claimed invention. It is the intention therefore to limit the invention only as indicated by the scope of the claims.

WHAT IS CLAIMED IS:

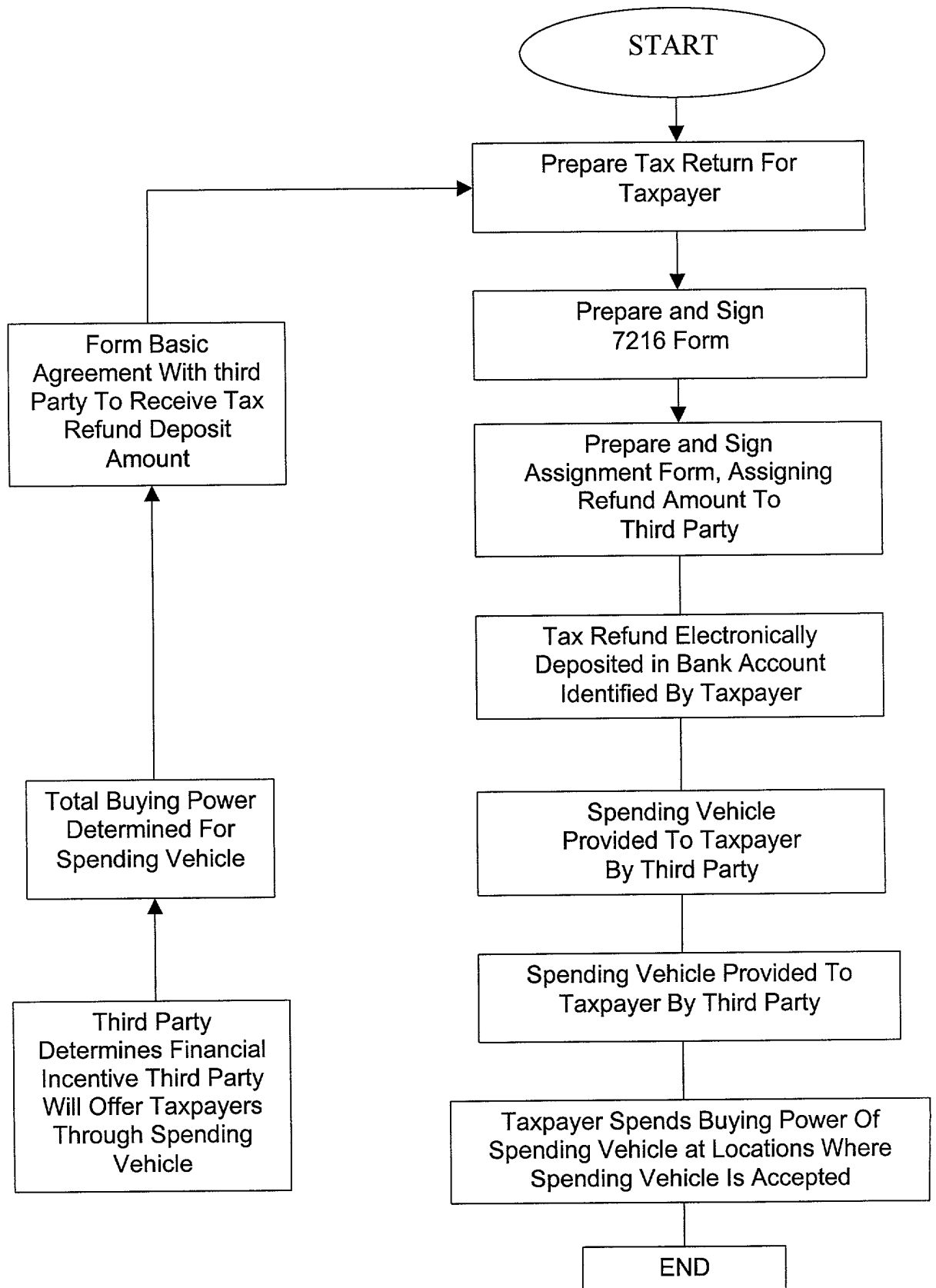
1. A tax refund system, comprising:
  - a tax return completed for a taxpayer;
  - a tax refund amount indicated by said tax return for said taxpayer;
  - an assignment of at least a portion of said tax refund amount to a spending vehicle provider; and
  - a spending vehicle issued on behalf of said taxpayer in an amount related to the amount assigned to said spending vehicle provider.
2. The system of claim 1, wherein said spending vehicle is selected from the group consisting of a credit card, debit card, gift card, cash card, checking card, checking account, coupon, voucher, rebate certificate, discount, discount certificate, spending account, electronic spending account, and e-wallet.
3. The system of claim 1, wherein said spending vehicle provider is selected from the group consisting of a government entity, product retailer, wholesaler, distributor, manufacturer, service provider, publisher, travel entity, entertainment entity, financial institution, insurance institution, brokerage institution, global computer network and online business, publisher, and a consortium of companies.
4. The system of claim 1 further comprising:
  - a financial institution account for initially receiving said taxpayer refund amount.
5. The system of claim 1, further comprising:
  - a tax preparation company for electronically filing said taxpayer's tax return.
6. The system of claim 5, further comprising:
  - a tax preparation service payment taken from said tax refund amount.

7. The system of claim 1, wherein said tax return is for use with one of the groups consisting of a federal taxing authority, state taxing authority, and local taxing authority.
8. The system of claim 1, wherein said tax return is an electronic form.
9. The system of claim 1, wherein said tax return is created telephonically.
10. The system of claim 1, wherein said tax refund amount indicated by said tax return for said taxpayer is issued by a taxing authority.
11. A method of providing a tax refund amount to a taxpayer, comprising:
  - preparing a tax return;
  - filing said tax return with a taxing authority;
  - assigning at least a portion of said tax refund amount to a third party; and
  - providing a spending vehicle to said taxpayer in an amount related to the tax refund amount assigned to said third party.
12. The method of claim 11, wherein said spending vehicle is a member of the group consisting of a credit card, debit card, checking card, electronic account, coupon, voucher, rebate certificate and store account.
13. The method of claim 11, wherein said third party is a spending vehicle provider.
14. The method of claim 11, wherein said third party is a financial institution.
15. The method of claim 11, wherein the value of said spending vehicle is an amount higher than said tax refund amount.
16. The method of claim 11, wherein said taxing authority is the Internal Revenue Service.
17. The method of claim 11, wherein said tax return form is an Internal Revenue Service form.

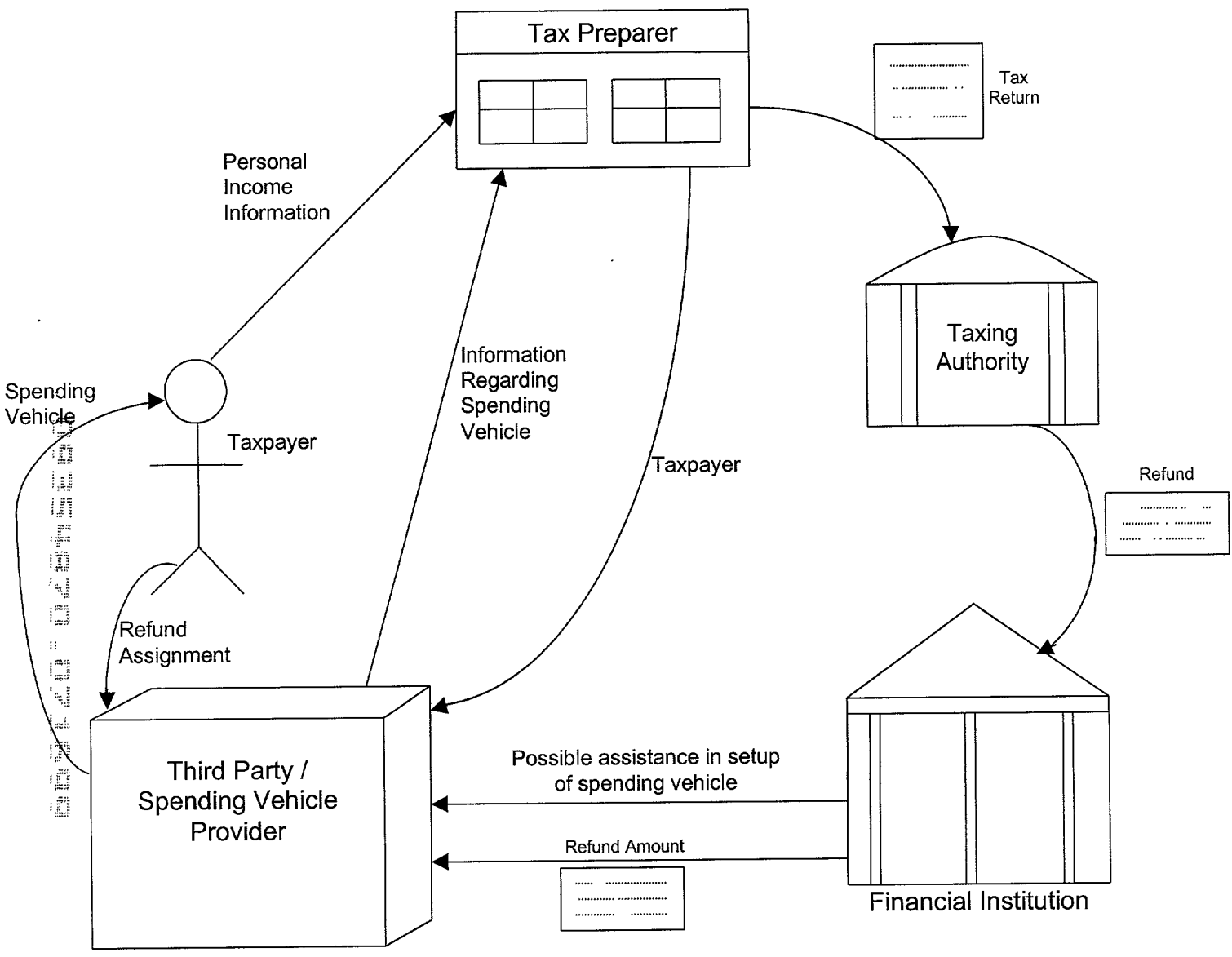
18. The method of claim 11, wherein said preparing a tax return is accomplished with the assistance of a tax return preparer.
19. The method of claim 11, wherein said spending vehicle is useful for purchasing goods or services at at least one participating vendor.
20. The method of claim 19, wherein said participating vendor is a retailer.

## **ABSTRACT**

A tax refund system is disclosed in which in exchange for a taxpayer assigning all or a portion of his or her tax refund due, a participating provider will provide a spending vehicle to the taxpayer which has buying power at participating outlets.

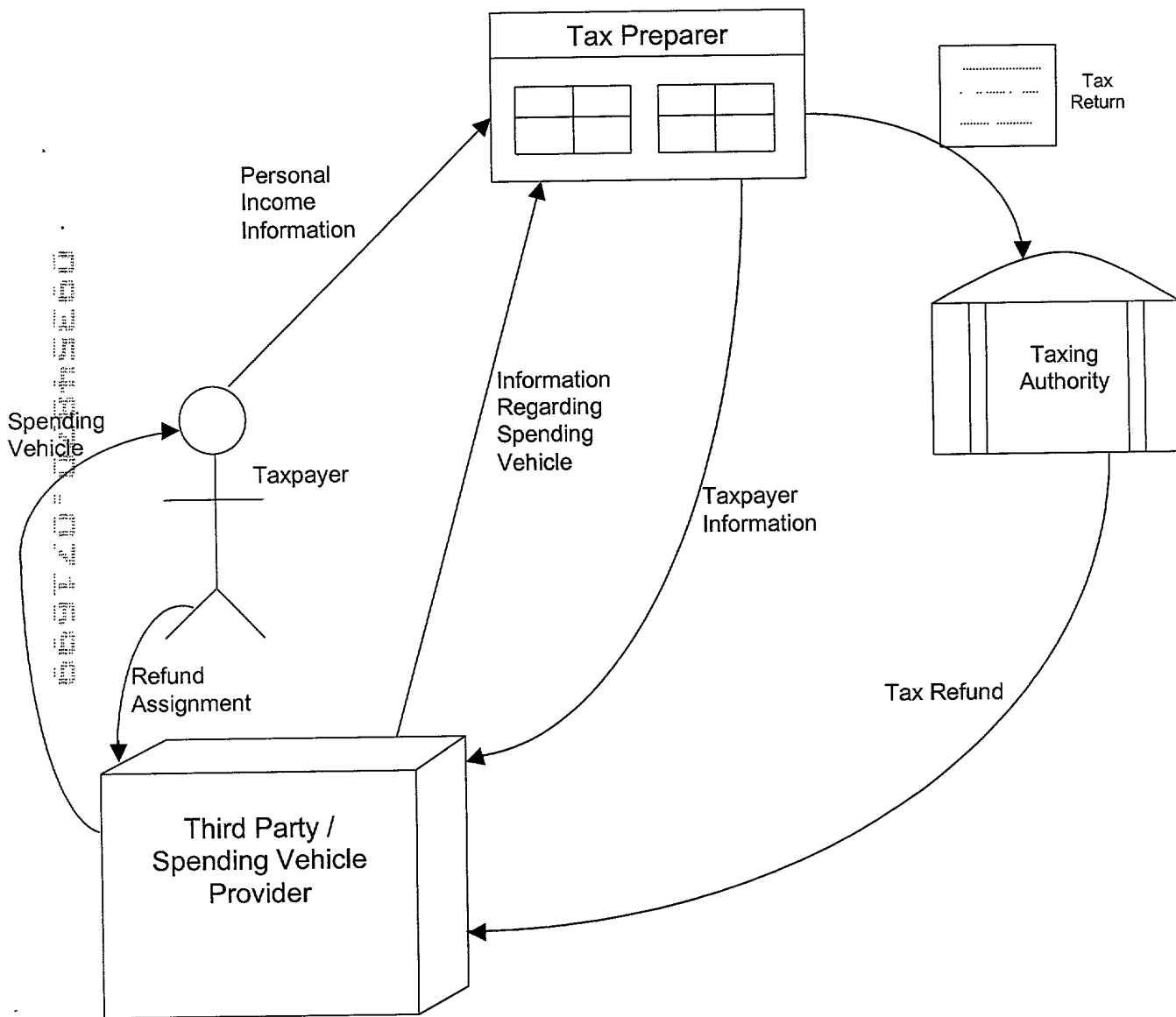


**FIGURE 1**

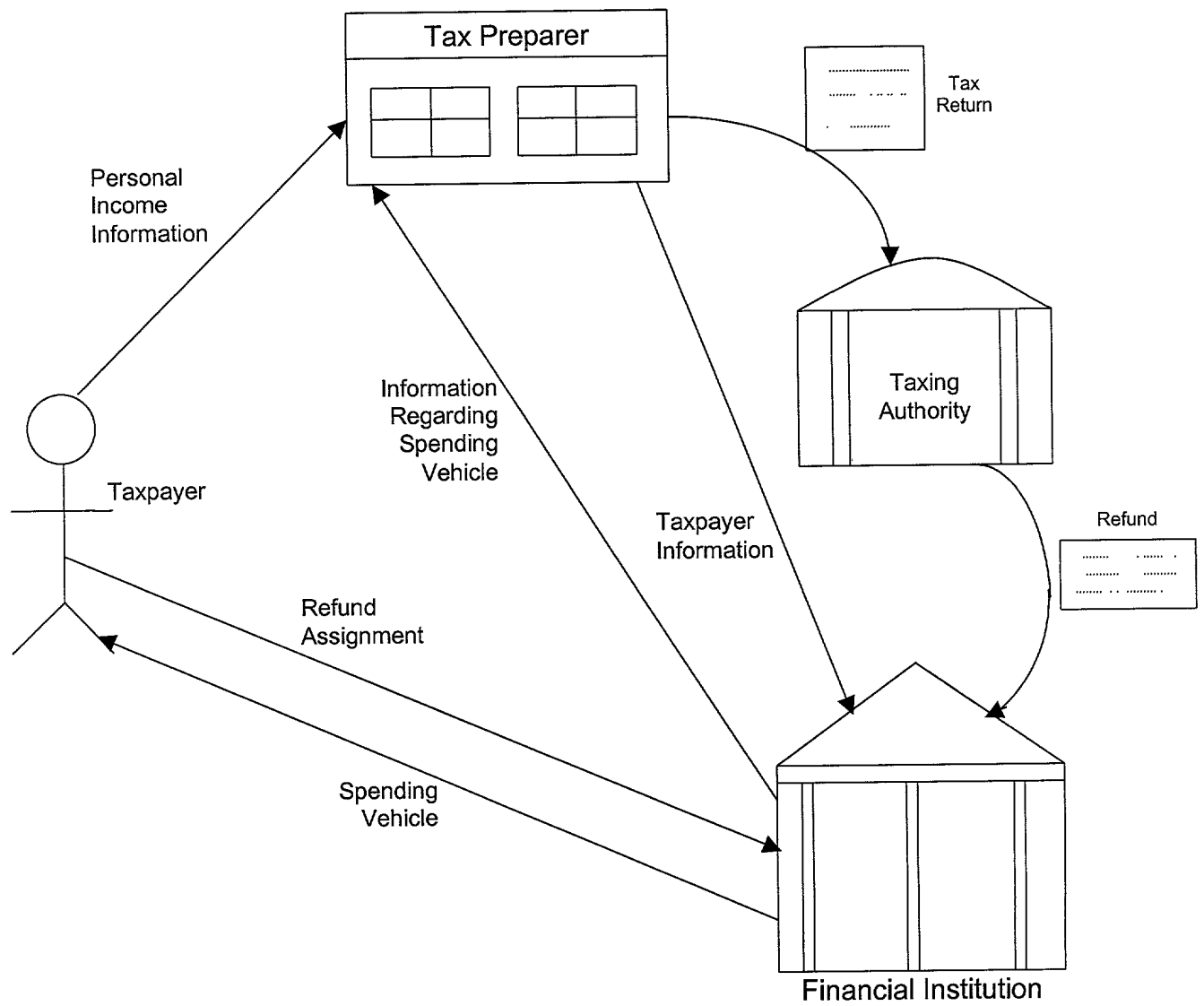


**FIGURE 2**





**FIGURE 3**



**FIGURE 4**

Express Mail No.: EL039913295US

Date of Deposit: July 16, 1999

**DECLARATION**  
**AND**  
**POWER OF ATTORNEY**

As below named inventors, we hereby declare that:

Our residences, post office addresses and citizenship are as stated below next to our names.

We believe we are the original, first, and joint inventors of the subject matter which is claimed and for which a patent is sought on the invention entitled TAX REFUND SYSTEM the specification of which:

(check one)      ☒ [X] is attached hereto.

☐ [ ] was filed \_\_\_\_\_ as  
Application Serial No. \_\_\_\_\_  
and was amended on \_\_\_\_\_ (if applicable).

We hereby state that we have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.

We acknowledge the duty to disclose information which is material to the patentability of the invention claimed in this application, in accordance with Title 37, Code of Federal Regulations, §1.56(a) and (b).

We hereby claim foreign priority benefits under Title 35, United States Code, §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

Prior Foreign Application(s)

Priority  
Claimed

\_\_\_\_\_  
(Number)

\_\_\_\_\_  
(Country)

\_\_\_\_\_  
(Day/Month/Year Filed)

☐ [ ]    ☐ [ ]  
Yes    No

We hereby claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, we acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulation, §1.56(a) and (b) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

(Application Serial No.)	(Filing Date)	(Status) (patented, pending abandoned)
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We hereby claim the benefit under 35 U.S.C. 119(e) of any United States Provisional Application listed below:

None (Application Serial No.)	(Filing Date)
----------------------------------	---------------

We hereby appoint Jeffrey S. Standley, Reg. No. 34,021, James L. Kwak, Reg. No. 41,133, or Jeffrey C. Norris, Reg. No. 42,039, c/o Standley & Gilcrest LLP, 495 Metro Place South, Suite 210, Dublin, Ohio 43017-5315, Telephone No. (614) 792-5555 our attorneys, with full power in each of them, of substitution and revocation, to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith. All correspondence should be sent to the attention of Jeffrey S. Standley, Esq. at the address above.

We hereby declare that all statements made herein of our own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Full name of inventor

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Date


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